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*Report from* FRENCH NORTH AFRICA *some confusion about it*

I. ~~Gloomy~~ late word from Paris ~~indicates~~ Faure  
~~abandoning~~ intention to press for immediate  
solution to Moroccan impasse. Backdown,  
<sup>if</sup> when it ~~becomes~~ <sup>quite</sup> known, will increase danger  
of further eruptions Moroccan violence. At  
the same time, political tensions generating  
in metropolitan France threaten disintegra-  
tion of Faure's coalition and fall of govt.

A. Steps in Faure's original Morocco  
program (Aix agreement with Nationalists)  
had included:

1. "Withdrawal" of ben Arafa;
2. Simultaneous establishment "Council  
of the Throne;"
3. Formation of all-Moroccan government,  
which would negotiate reorganization  
of Moroccan administration.

NSA review completed

State Dept. review completed

ARMY review(s) completed.

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*with Radio says*  
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B. However, program has been stymied for

weeks at "first step," since Arafa has  
refused quit Throne.

*indicate*  
C. Now US embassy reports Faure will not  
press for Arafa ouster, in order to avoid  
rift with rightist elements in his  
coalition.

*Arafa*  
II. Sultan's most significant support is coming  
from these French rightists--Juin-Koenig-  
LeComte-Montel group.

A. Also supported by reactionary settler's  
organization--"Presence Francaise"--  
claiming to represent majority of  
400,000 French in Morocco, and now  
reported openly arming selves for  
attacks on natives.

III. Both the Moroccan Nationalists (at Aix  
conference) and ex-sultan ben Youssef (from  
exile in Madagascar) have shown remarkably  
conciliatory attitude toward French.

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- A. However, French abandonment Arafa ouster will badly weaken position of moderates.
- B. Nationalist leaders know their supporters in Morocco already fretting under moderate policies.
- C. They fear that extremists may capture nationalist organization.
  - 1. Extremist-called strikes already beginning in major Moroccan cities.
- D. Meanwhile, French in Morocco attempting to discredit principal nationalist party, Istiqlal: [Independence]
- 1. Residency official has blamed party's "insincerity, inconsistency" for present impasse.
- E. Another Residency official (26 Sep) said French now ready for "showdown" with nationalists; continued that France does not mind stripping European defenses, since danger of war with USSR not

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1. Official affirmed that French reprisals for 20 Aug Oued-Zem massacre totalled 5,000 members of guilty Berber tribes, (hoped this would serve as warning to other tribes).

IV. In all North Africa, now, French Army forces total some 220,000--up 50% from a year ago.

More than half are Metropolitan forces, 5% are black Africans: 34% are North African.

A. Force includes 4 NATO-committed Divisions plus battalions from such divisions to a total of 50% of France's NATO-committed Army personnel.

B. Addition of police, gendarmerie and quasi-military brings total to over 300,000.

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C. Much of the French Army's equipment is US-supplied. Although heavy equipment remains in France, lighter materiel has accompanied North African reinforcements and in one "accidental" case, trucks have arrived in Morocco still bearing US markings.

V. In Algeria, meanwhile, reinforced French formations are busy mopping up the rebels' "Army of God" and the state of emergency, previously confined to the Department of Constantine and to western Oran, has been extended to the entire area.

A. The latest political crisis in Algeria arose Monday, the day before an extraordinary session of the Algerian Assembly was to meet, when 42 (out of 60) Moslem members threatened to boycott the session.

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B. The Moslem delegates rejected French reform proposals as "too little too late," demanded an end to the repression program and endorsed the concept of an autonomous Algeria, "federated" with France.

VI. Meanwhile, in Paris, Faure's position is considerably more precarious than was case in July, in light convening National Assembly 4 Oct.

- A. North Africa trouble, together with domestic French labor unrest, may counterbalance general Assembly reluctance to overthrow him before national elections (spring 1956).
- B. However, no Assembly discussion of govt policy likely before mid-October (reorganization of Assembly's administration is first order of business).

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C. Faure and Pinay visit to Moscow

(scheduled 14 October), plus Geneva talks

(starting 24 October), will also be

strong deterrents to attempt to unseat

Faure during initial weeks of Assembly

session.

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French  
Sov. in North Africa

① One rep. ~~left~~ after  
WW II in Algérie - closed  
most SI (own white)

② Can sit on Tangier  
Control Committee - 1945  
agreements

③ Operates from France  
+ using French Com-pat  
+ CGT (Moroccan)

④ Budapest. Radio



Re RADIO BUDAPEST:

Budapest is never mentioned.

"This is Voice of National Independence  
and Peace"

Greek Turkish Riots

~~For~~ Greek Cabinet crisis  
Geneva spirit in France  
+ Italy

Albania - Italy rumors  
re Soviet - Yugo deal  
Civilians leaving

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NSC BRIEFING

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29 September 1955

	<u>Czechoslovakia</u>		<u>Poland</u>	
	<u>Capacity</u>	<u>1955 Actual</u>	<u>Capacity</u>	<u>1955 Actual</u>
Jet Fighters	1450	512	320	193
Armored Fghtng Vehicles (tanks and self-propelled guns)	900	300	900	300

N. B. Hungary is given no capacity.

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### SOVIET APPROACHES IN MIDDLE EAST

- I. USSR, in "Geneva spirit", adroitly pushing year-old neutrality campaign in troubled Middle East. *[Exc. Israel + Northern Tier]*
  - A. In guise of peaceful merchants, Communists are displaying attractive wares to have-not nations of area--trade, technical assistance and guns--without visible political strings attached.
  - B. Immediate purpose: block extension, strengthening of area's Western-sponsored defense structure by exploiting local dissensions (Israeli-Arab troubles, Turkish-Iraqi pact, Afghan-Pakistani dispute). Efforts focussed on forcing withdrawal of U.S. bases, coaxing development of neutralism.

C. In longer view, we can see outlines of an even grander and more patient Soviet program--elimination of all Western economic, political influence in Middle East, opening of area to Communist influence and eventual control.

II. USSR's "relaxation" policy already weakening anti-Soviet foreign policies in many Middle East countries.

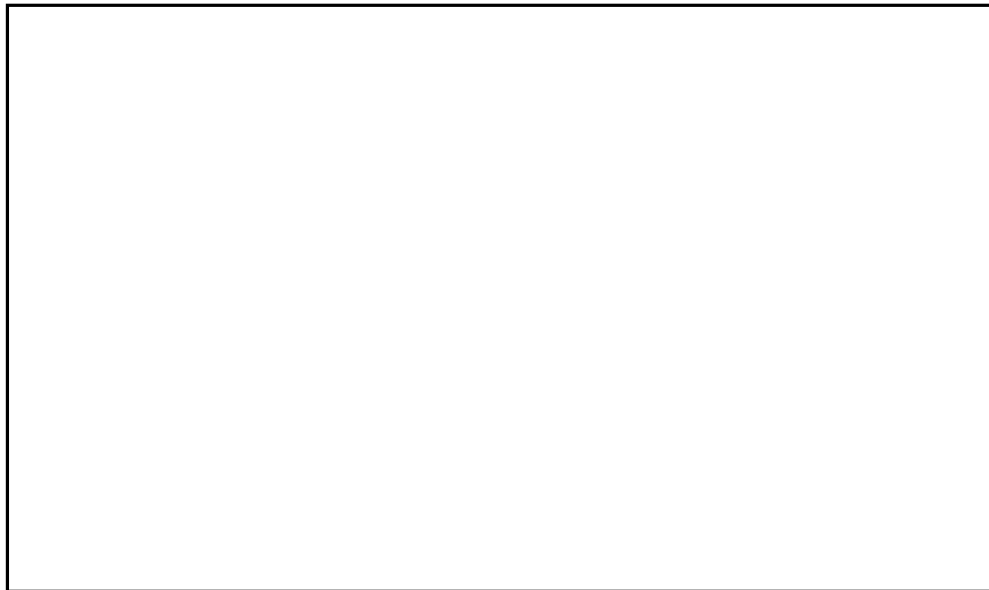
A. Soviet neutrality theme, ("can't get hurt off the playing field") appears <sup>to seem</sup> more plausible than Western tune of "collective defense."

B. Soviet overtures genuinely attractive: interest on loans as low as 2 and 2½ percent; barter arrangements for area chronically short in hard currency.

C. Overtures also give local politicians chance to pressure West for aid.

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III. Communists' most persistent and spectacular overtures are aimed at Egypt and Saudi Arabia, with Syria a fair third.

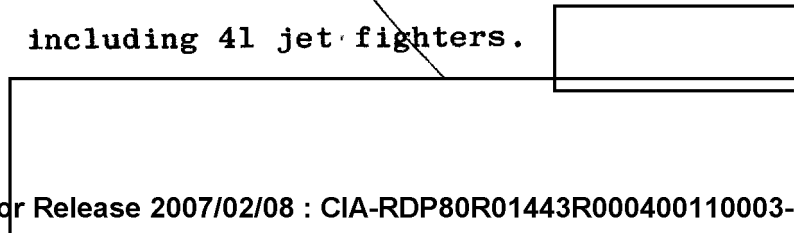


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IV. If Egyptian-Soviet arms deal is fully implemented, Egypt would gain marked superiority over Israel in aircraft and tanks.

A. Egypt now has 245 military aircraft, including 41 jet fighters.

*Chart*



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1. Israeli air force totals 302 planes,  
of which only 17 are jet fighters.

*Chart* B. G-2 credits Egypt with 129 medium tanks,  
not including recent deliveries to  
Alexandria of some 120 UK-built WWII  
"Valentines".

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D. Further, the present Egyptian lack of  
competent military personnel in all  
ranks means that an intensive training  
effort--maintained for a period of  
years--would be needed.

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- V. Soviets have also made deal with Egypt <sup>by Soviet</sup> which will jump 1955 petroleum sales to three times last year's level (from 273,000 to over 850,000 tons).
- A. Also urging Egyptians to accept Soviet aid on projected "high dam".
- B. Egypt also bartering cotton for ChiCom steel reinforcing rods.
- C. Egyptian government states Chou-En-lai will pay visit before end of '55 to renew Bandung contacts with Nasr. Nasr is to visit USSR next spring.

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VII. Tacit Soviet support for Arab claims against Israel is another related gimmick.

A. In June, Izvestia made most specific

Soviet press attack on Israel for two years: since then, Soviet news items slanted **TOP SECRET** against Israel.

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B. Israel views any military strengthening of Arabs as threatening its very existence.

C. Israel can be expected to make maximum representations to US, Britain and France, demanding new guarantees, arms.

D. Israel is also likely to increase border hostilities against Arabs, and may seriously consider full-scale war if it appears Soviet Bloc is going to strengthen Arabs significantly.

E. Thus, USSR's immediate tactics appear as a "black twin" to current US objectives in area:

1. US aim--Arab-Israeli settlement:

~~Soviet arms deals, in particular,~~  
~~will raise tensions here.~~

2. US aim--Northern Tier: cheap and

plentiful Soviet arms for Egypt will

*attempt* *make*  
*invite* invidious comparison with  
*arm* handful of US hardware for Tier-

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VIII. USSR's efforts build economic contacts with Afghanistan received a boost when Pakistan closed frontier during recent rupture. Kabul soon signed transit agreement with Moscow.

A. Most recently, Soviet bloc has offered Afghanistan a medical mission and medical equipment, as well as materials, equipment and technicians for installing water systems in Kabul and Kandahar.



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C. Bloc aid to Afghanistan has certainly encouraged that country to take obdurate attitude in its basic dispute with Pakistan.

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LATE NOTE

NSC BRIEFING

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28 September 1954

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LATE NOTE ON ISRAELI ARMY

According to 28 September cable from G-2

Washington to Tel Avia and the Arab capitals [REDACTED]

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[REDACTED] 60 German

tanks (Tiger, or Panther) are being shipped to Israel probable from Belgium. G-2 is asking for confirmation.

George Weller (Chicago Daily News) reports France has sold and will deliver to Israel within 3 months, 100 armored cars, large and medium caliber guns and radar equipment. G-2 is also asking Tel Aviv for confirmation of this report.

Above two items suggest that Israel has been engaged in building up its military strength. The Egyptian-Soviet arms deal will induce Israel to intensify its efforts.

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Next 4 Page(s) In Document Exempt

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SECRET 28 September 1955

### SOUTHEAST ASIA

- I. In Vietnam, the Viet Minh are increasing pressure on Diem for election consultations.
  - A. Have formally requested Britain and USSR (as Geneva co-chairmen) plus Indian chairman of International Control Commission, to insure implementation Geneva Agreement.
    - 1. However, both north and south zones would retain considerable autonomy, have separate regional assemblies.
    - 2. Plan obviously designed to reassure southerners.
  - B. Viet<sup>Minh</sup> have proposed settlement calling for nationally elected parliament which would appoint coalition government.
  - C. In a related move, Viet Minh announced cabinet "changes" 20 Sept.

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1. Pham Van Dong took Ho Chi Minh's second hat (premiership), while Ho remains president and head of Party.
2. This allows Ho to stand above and apart from Viet government -- enhancing his symbolic value.

II. Viet Minh harassment US Consulate Hanoi has now resulted in cut-off radio communications.

A. Embassy Saigon last heard from Hanoi on 24 Sept.

B. Earlier, Viet Minh had made consul appear before examining board for driver's license.

1. Examiners made patriotic speeches, threatened trial by "people's court" for traffic violations.

2. Finally informed consul he had failed examination.

III. In south, Diem continues refuse consultation with Viet Minh.

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A. Diem planning referendum on Bao Dai in late October, constitutional convention in November, elections for national assembly in December.

B. UK Ambassador believes (and US Ambassador agrees) that Diem will refuse ever to consult with Viets and can never agree to nation-wide elections. Ambassadors believe that December election plan is best way Diem can stall Viets.

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C. Meanwhile pressure on Diem's government has included Viet Minh-organized demonstrations for unification.

1. Diem's troops have been forced to fire on three separate demonstrations this month.

IV. In Cambodia, saxophone-playing ex-king Sihanouk, following his party's clean sweep of 11 Sept elections, has agreed to become

prime minister

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A. Heretofore, he has preferred less

exposed role: willingness assume  
premiership reflects self-confidence.

B. Told US Ambassador he not as crazy as  
people supposed: "I may be eccentric,  
but there is method to my eccentricity."

V. In winning all 91 seats for new parliament,  
Sihanouk's newly-organized "movement", the  
Sangkum Reastr Niyum (SRN) was embarrass-  
ingly successful.

A. Ex-king's popularity in countryside  
undoubtedly great, but intimidation by  
government officials contributed to  
lopsided victory.

B. Once-powerful Democratic Party, which  
includes nearly all educated Cambodians,  
got less than 25% of vote; Communists  
polled less than 4% of total vote.

C. However, if educated elite are excluded  
from political role, some may make

common cause with Communists.

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VI. Cambodian foreign policy will remain vaguely

neutralist but Sihanouk and advisors  
recognize dependence on West--particularly  
US. *Anti Communist*

A. Vote by ~~SRN party~~ congress (25 Sept) to  
leave French Union is logical step in  
Cambodia's assertion complete inde-  
pendence.

B. Move has long been sought by Cambodians,  
but action at this time reflects  
Sihanouk's long-standing grudge over  
past high-handed French treatment.

VII. Elsewhere in Southeast Asia, a Burmese  
military mission, led by Commander-in-Chief  
General Ne Win left Rangoon for Communist  
China on 23 Sept.

A. Considerable speculation that Chi Coms  
will try impress Burmese with their  
military might, offer Burma military  
equipment.

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- B. Premier Nu has stated categorically, however, that the mission would not conclude any secret agreements and would purchase no arms.

VIII. Meanwhile, today (29 Sept) is Indonesia's first national election day.

- A. After many doubts, voting will take place in all but areas of extreme unrest.
- B. However, results of election will not be known for about a month.
- C. Leaders of pro-Western Masjumi (Moslem) Party, which heads present govt., are confident of victory.
  - 1. Probable that Masjumi will win at least a plurality and form post-election government with support of small parties.
  - 2. Masjumi victory would mean continued development moderate foreign policy,

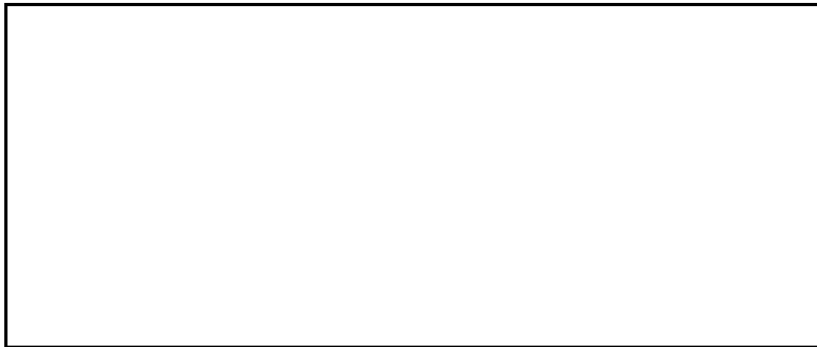
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D. US observers expect Communists -- who  
are campaigning vigorously -- to make  
good showing.

1. Some expect Communists to emerge  
as Indonesia's second largest party,  
polling as much as 20% of the vote.

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### NEW ARGENTINE GOVERNMENT

I. Conditions in Argentina will be unsettled for some time to come, and difficult see how President Lonardi can comply with stated desire to hold elections in 6 - 7 months.

A. Peronista Party is only one with any organization, and might poll strong plurality, if not majority, if elections held soon.



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II. Service rivalries, as exemplified by Army-Navy views on elections, may be serious.

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C. Strong men in Army are Major General Julio Lagos and Brig. General Leon Bengoa.

D. Lonardi's cabinet made up mainly of little-known individuals, and appointments not yet final.

III. Meanwhile General Confederation of Labor (CGT) maintaining some independence.

A. CGT has made no public profession allegiance to new government.

B. Secretary-General (Hugo di Pietro) has secured from Lonardi:

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1. Guarantee of Peron's safety
2. No government control of CGT unions
3. All workers' rights to be maintained
4. Government would not deprive CGT of former independent newspaper "La Prensa". (However, court action expected).

IV. Nationalistic influences may be strong in new government.



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B. Lonardi has publicly expressed belief pact not advantageous to argentina; said would get equipment "for us to drill on our own".

1. Most anti-Peronistas and some Peronistas opposed pact in past.

C. However, Lonardi has publicly rejected Peron's "third position" in inter-

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V. New government now recognized by 24 countries.

A. In Paraguay, which caught the hot potato, the General Staff is reportedly pressing President Stroessner to permit refugee Peron only a brief in-transit entry.

B. Paraguayan army leaders also reported pressing for ouster pro-Peron elements from Paraguayan government.

1. Chief target, Central Bank President Mendez Fleitas (not Communist but Communist-linked).
2. Mendez ouster would probably threaten stability Paraguayan government.

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Next 7 Page(s) In Document Exempt

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### MALAYA AND SINGAPORE

- I. In UK's major Asiatic enclave ("protected" Malay States and Crown Colony of Singapore), popularly-elected local leaders are demanding both greatly accelerated progress toward eventual self-government and an end to seven-year "emergency" (imposed by UK in battle against Communist terrorism).
  - A. At present, despite limited concessions, British still control area's defenses, foreign affairs and finance, and UK High Commissioner (for Malaya) and Royal Governor (for Singapore) hold absolute veto over all affairs.
- II. British expect more difficulty in Singapore than in Malaya, both in guiding local leaders through series of crises toward self-government and in countering Communist subversion.

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A. Communist-inspired riots in Singapore

since April 55 elections apparently have given British second thoughts, particularly along military lines, about granting semi-independence.

B. UK determined, however, to pursue experiment as far as possible.

C. British authorities are moderately confident of their ability to shepherd freshmen officials through series of difficult decisions and actions.

1. Recognize that local leaders must be free to criticize British, attack "colonialism."

D. Outlook is for some fumbling and series of crises, but general progress.

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III. In Singapore, Chief Minister David Marshall

(elected Apr 55 under new constitution)  
has apparently now retracted his threat  
(made in late July) to resign unless his  
demand for immediate self-government was  
met.

- A. Demand was refused on 2 Aug by the UK  
Colonial Secretary Lennox-Boyd, and  
further talks have been postponed  
until 18 August.
- B. Marshall (Singapore-born son of Iraqi  
Jewish family and famed criminal  
lawyer) has been under pressure from  
"activist" Communist-manipulated op-  
position organization--People's Action  
Party.
- C. He apparently felt self-government  
demand was necessary to preserve his  
own popular appeal.

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IV. Federation of Malaya's first national

elections (27 July) resulted in landslide victory (51 of 52 seats at stake) for triple-party "Alliance" (representing Malay, Chinese and Indian communities.

- A. "Alliance" campaigned on platform of self-government, amnesty to Communists, racial harmony.
- B. Having won election, "Alliance" leaders already giving indications shift to more moderate stands than taken in heat of campaign.
- C. "Alliance" leader, Abdul Rahman (brother of Sultan of Perak), has proposed special commission to "study" constitutional reforms necessary before taking definite action on self-government.
- D. On "emergency" issue, Rahman announced after election that "Alliance" would not support offer of amnesty to Communists except at right time, and then

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Only with advice of experts.

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1. As one such "expert", Rahman  
named UK "Director of Operations"  
(General Bourne).



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- F. However, Rahman is already demanding  
High Commissioner's veto power be  
abolished within two years (or, if  
possible, one year).
  1. Alliance has made 1959 target-year  
for complete self-government.
  2. UK authorities so far have mention-  
ed no date, although High Commis-  
sioner has stated "reasonable pro-  
posals" will be considered.

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V. Meanwhile, Communists are continuing

"selective terrorism" campaign in Malaya, being increasingly successful in infiltration and subversion, both in Malaya and Singapore.

- A. Special targets (and hence chief successes) are Chinese schools, labor unions, volunteer guard units and Chinese villages.
- B. UK authorities view Communist bids for peaceful settlement (in June and July 55) as effort to regain status of legalized political party, thus accelerate already dangerous subversion campaign.

VI. London feels encouragement of self-government in face of growing Communist subversion is "calculated risk," but believes course is only alternative to violent revolutionary development.

A. UK emphasizes future of area depends

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Next 2 Page(s) In Document Exempt

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